



ASX ANNOUNCEMENT

30 October 2015

QUARTERLY ACTIVITY REPORT

SEPTEMBER QUARTER 2015

HIGHLIGHTS

The *previous* June Quarter saw a significant re-structuring of Marmota: new Chair, new technical director, substantial cost savings, new offices and new capital. Refreshed and rejuvenated, the focus of the *current* September quarter has been: 'All systems go'. In July, Marmota launched an aggressive gold exploration program across its prime tenement holdings around the Challenger gold mine. The program is already producing exceptional results.

Corporate

- Share Purchase Plan (completed in July): **doubly oversubscribed**

New ground acquired [see ASX release: 6 October 2015]

- Marmota has expanded its tenement holdings near the Widgety prospect (ELA 2015/00175) [see Figure 1]

NEW Gold exploration program

- Marmota has adopted the same calcrete sampling methodology that was used to find Challenger
 - Since July, Marmota's in-house geoscientists have been stationed in the Gawler Craton, auger drilling calcrete samples.
 - The calcrete sampling program has already yielded:
 - At Widgety: several clusters of strong gold anomalism
 - At Westpoint Hill ¹: **EXCEPTIONAL gold anomalism**
- Marmota has identified a NEW LARGE GOLD anomaly in the Gawler Craton

¹ Results obtained after end of quarter

Exploration Activities during Quarter

GOLD

Gawler Craton

Tenement	Name	MEU Holding
EL4510	Ambrosia	100%
EL4526	Pundinya	100%
EL5195	Muckanippie	100%
EL4702	Indooroopilly	100%
EL4995	Mt Christie	100%
EL5060	Lake Anthony	100%
EL5377	Cudyea	100%
ELA2015/00175	Mulgathing	100%

Multi-commodity potential (gold, copper, nickel, zinc, uranium)

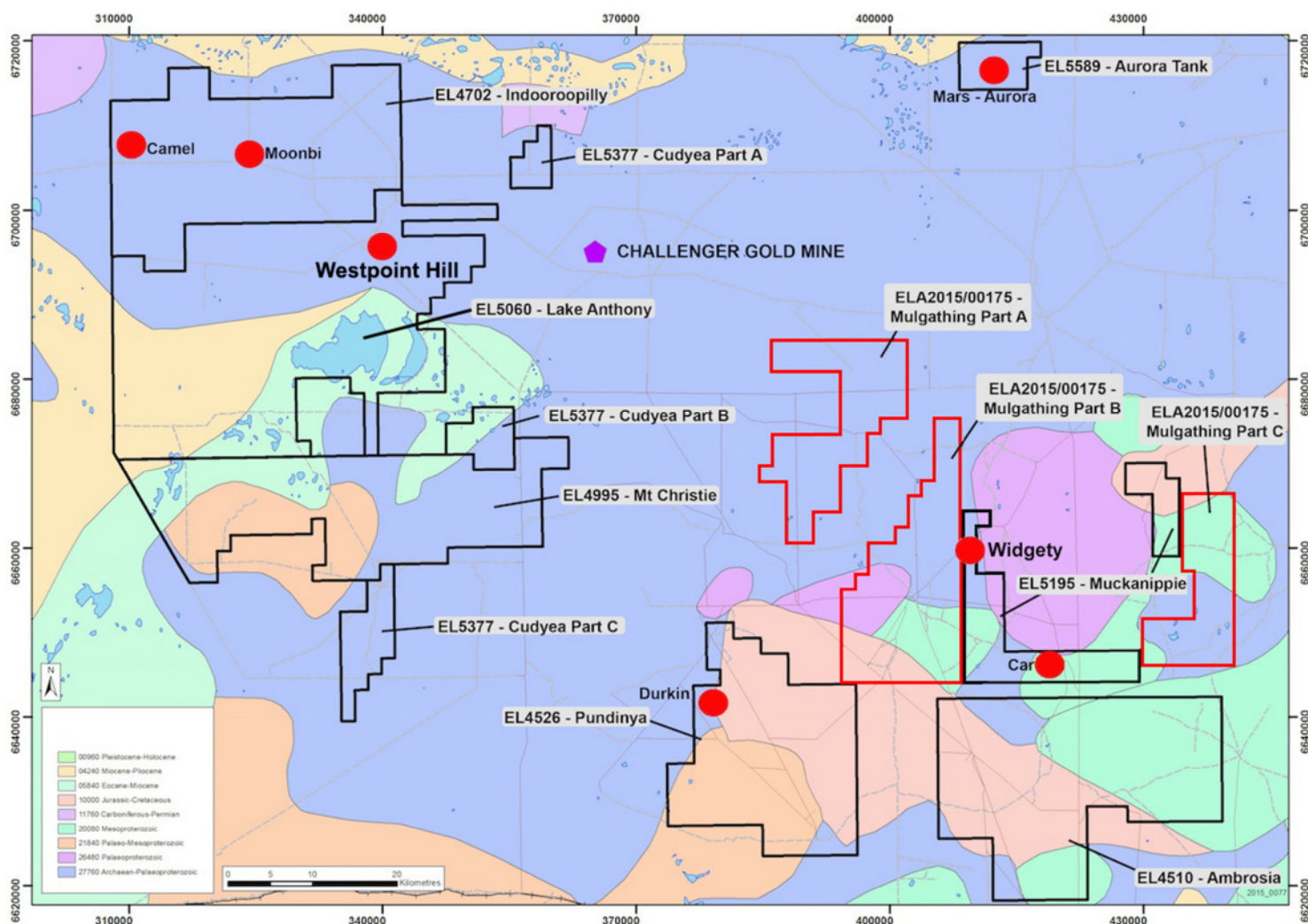


Figure 1: Marmota's Gawler Craton Gold Project + location of new tenements



Work undertaken during reporting period

- **Part 1:** Targeting known anomalies around Challenger gold mine
 - Camel prospect
 - Widgety prospect
- **Part 2:** Testing high prospectivity areas that have no (or very little) data coverage, *including:*
 - Telstar target
 - Mudguard target
 - Westpoint Hill target

Background

- Marmota is searching for Challenger-style gold systems. The Challenger mine has already produced 1 million ounces of gold (over A\$1.5 billion of gold, at current prices).
- Marmota has a dominant tenement holding around Challenger. Marmota tenements cover around 4,000 km² of highly prospective area around the Challenger gold mine, in the Woomera Prohibited Defence Area in the Gawler Craton.
- Marmota has adopted the same calcrete sampling methodology that was used to find Challenger — to highlight areas of gold anomalism with the potential for Challenger-style gold mineralisation.

The gold program is ongoing and expanding. Once results are received and properly analysed, a strategy for each area will be determined.

Widgety Prospect [see ASX release: 14 October 2015]

- Calcrete sampling via auger drilling was carried out at the Widgety prospect (50km SE of Challenger) on a fine 50m x 50m grid pattern, in-filling existing anomalous data.
- Assay results returned strong gold anomalous assay results, defining several anomalous gold clusters, each around 250m wide.
- 96 sample locations at Widgety returned anomalous gold-in-calcrete readings ≥ 20 ppb (out of 331 samples taken at Widgety) [see Figure 2 below].

For comparison: a gold-in-calcrete result of 20ppb is better than 98.4% of all calcrete sampling data recorded in the South Australian Government database of 192,677 samples.

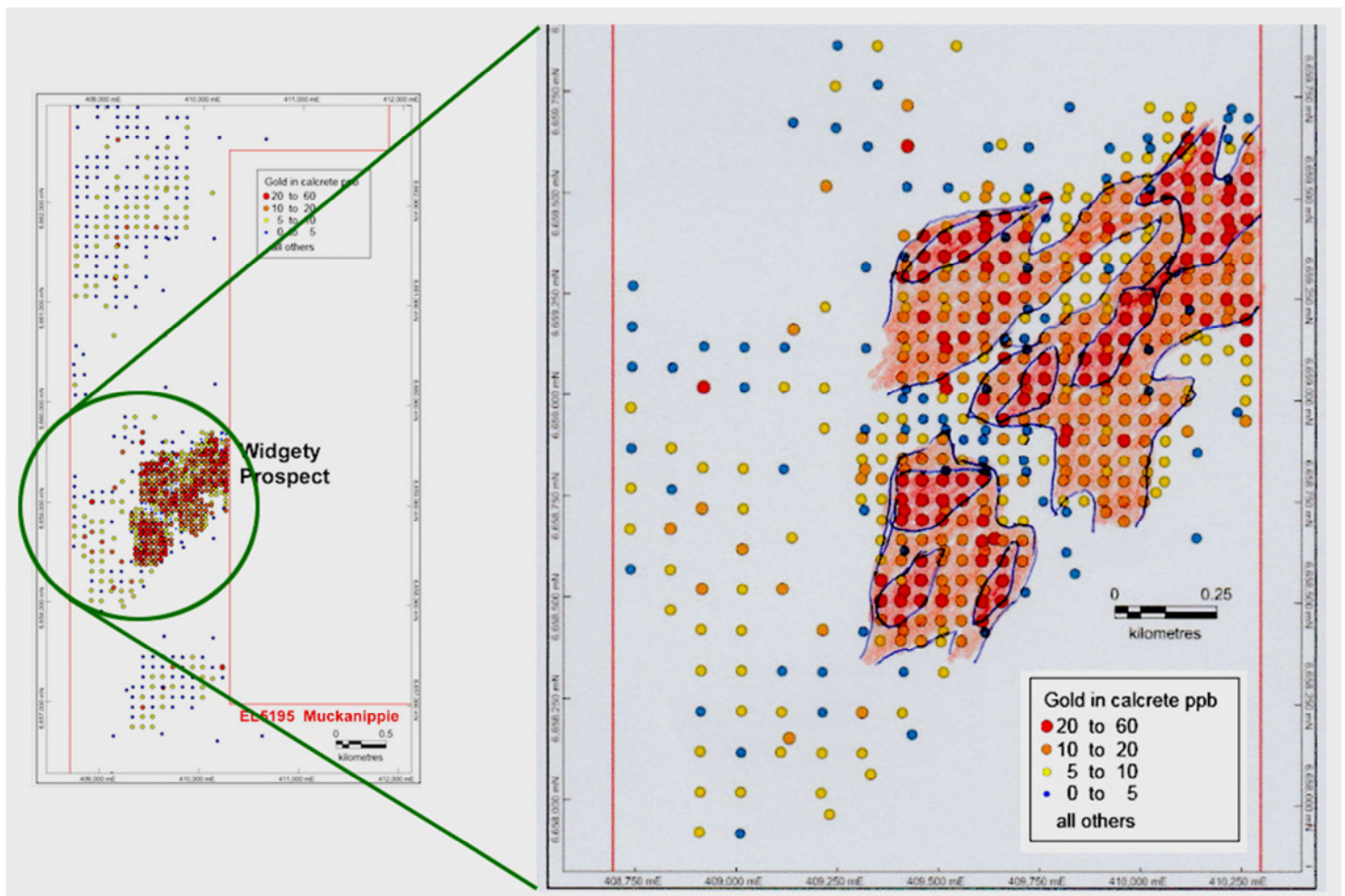


Figure 2: Widgety: Detail of gold-in-calcrete anomalism (contoured at 10ppb and 20ppb gold)

Westpoint Hill

[see ASX release: 26 October 2015]

- Westpoint Hill is located about 25km west of the Challenger gold mine
- Calcrete sampling was conducted on an 800m x 800m grid on almost virgin territory.
- Assay results from target calcrete sampling were received after the end of the September 2015 Quarter. Assays yielded **exceptional results** including a gold-in-calcrete result of 107ppb.
- For comparison: a gold-in-calcrete result of 100ppb is **better than 99.9% of all calcrete samples** (including all in-fill samples) ever recorded in the South Australian Government database of 192,677 calcrete samples.
- Not one, but three contiguous high values ... spanning 2km
- Coincident with magnetic and gravity anomalism
- There are strong similarities between the discovery of Challenger and the discovery of the anomalism at Westpoint Hill.

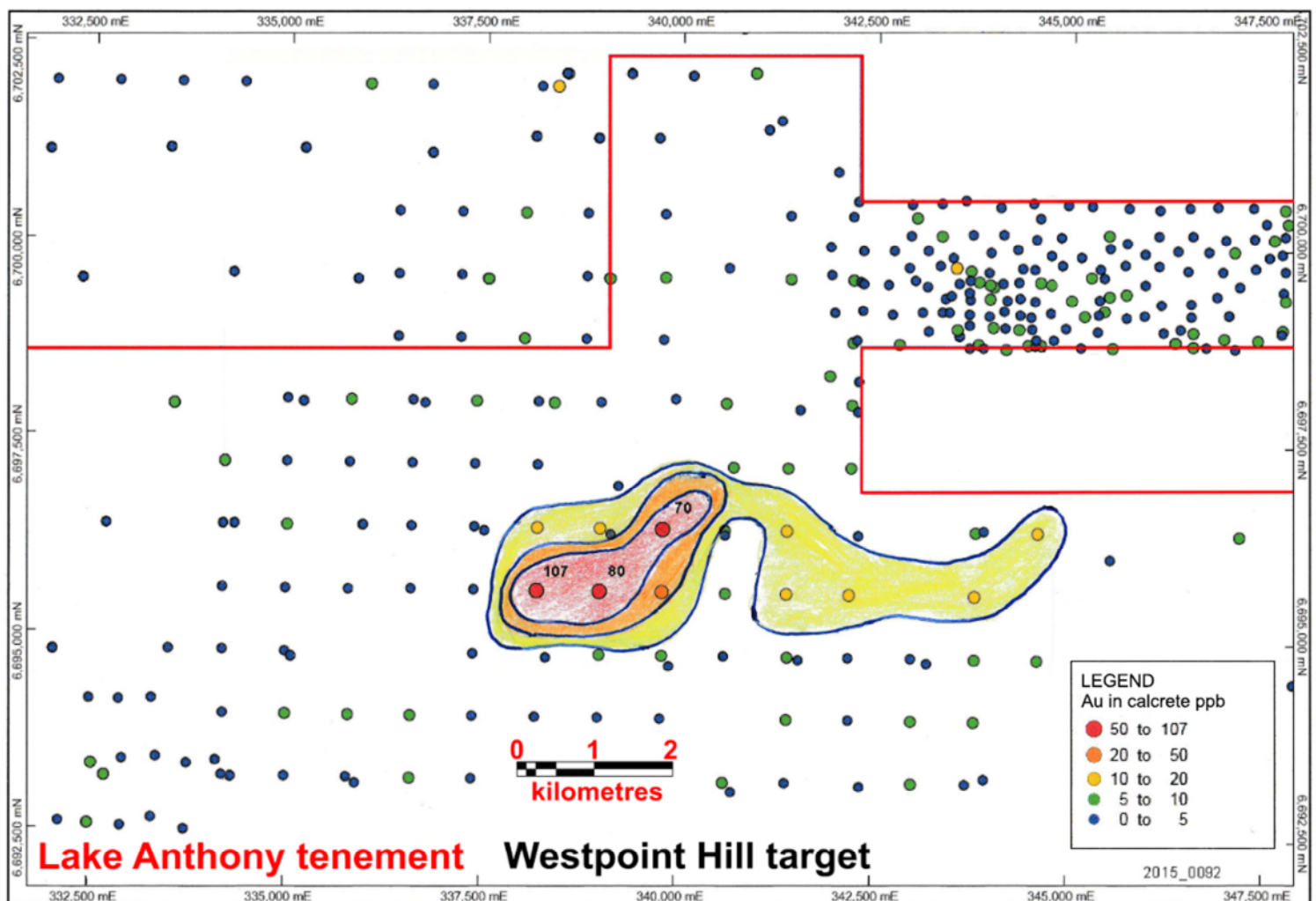


Figure 3: Westpoint Hill target: Gold-in-calcrete anomalism (contoured at 10ppb, 20ppb and 50ppb gold)

GOLD Aurora Tank [JV with Apollo Minerals Limited ASX:AON]

Tenement	Name	MEU Holding
EL5589	Aurora Tank	Marmota: 75% Apollo: 25% (earning up to 75%)

Gold and IOCG (Iron oxide copper gold)

Work undertaken during reporting period

- Apollo reviewed previous drilling and noted that they indicate potential for higher grade gold at depths below that targeted in the initial program

Future exploration focus

- Apollo is planning a follow up program to test for extensions to mineralisation at depth and along strike where mineralisation is considered open

COPPER Yorke Peninsula – Melton project

Tenement	Name	MEU Holding
EL4648	West Melton	100%
EL5122	Melton	Marmota 75% Monax Mining Limited [ASX:MOX] 25%
EL 5209	North Melton	Marmota 75% Monax Mining Limited [ASX:MOX] 25%

Copper

Work undertaken during reporting period

- Progress made on land access requirements
- Marmota exhibited at the Yorke Peninsula Field Days liaising with the local community and land-holders

Future exploration focus

- Progression of land access requirements
- Planning ground geophysical surveys and drilling program for 2016

URANIUM Junction Dam project

Tenement	Name	MEU Holding
EL4510	Junction Dam	100% of uranium
EL5124	Mulyungarie	100%

Uranium

Future exploration focus

- Uranium is on back-burner pending uplift in market conditions

What is next?

Marmota's gold program is ongoing and expanding.

Widgety

The Widgety in-fill calcrete data has highlighted several anomalous clusters, each around 250m wide. Detailed ground magnetometry and gravity over the Widgety prospect is being undertaken during October. This data will be analysed along with the calcrete sampling data to determine drill hole locations for the drilling program, currently scheduled to commence in November 2015.

Westpoint Hill

Marmota is moving to advance the Westpoint Hill target area as a priority. The next step is detailed in-fill calcrete sampling in and around the discrete area of high gold anomalies and finer grid gravity and magnetic data surveys.

Marmota is hiring additional geologists and field assistants so as to speedily advance both Widgety and Westpoint Hill.

Competent Persons Statement

The information in this release that relates to Exploration Results and Mineral Resources is based on information compiled by Dan Gray as Senior Project Geologist of Marmota Energy Limited who is a member of the Australasian Institute of Geoscientists. He has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Gray consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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About Marmota Energy Limited

Marmota Energy Limited (ASX: MEU) is a South Australian mining exploration company, focused on gold, copper and uranium. Gold exploration is centred on the Company's dominant tenement holding in the highly prospective and significantly underexplored Gawler Craton, near the Challenger gold mine, in the Woomera Prohibited Defence Area. The Company's cornerstone copper project is based at the Melton project on the Yorke Peninsula. The Company's largest uranium project is at Junction Dam adjacent to the Honeymoon mine.

For more information, please visit: www.marmotaenergy.com.au

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Marmota Energy Limited

ABN

38 119 270 816

Quarter ended ("current quarter")

30 September 2015

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(172)	(172)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(97)	(97)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – Government funding	3	3
		(265)	(265)
Net Operating Cash Flows			
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(1)	(1)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
		(1)	(1)
Net investing cash flows			
1.13	Total operating and investing cash flows (carried forward)	(266)	(266)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(266)	(266)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	478	478
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	(51)	(51)
	Net financing cash flows	427	427
	Net increase (decrease) in cash held	161	161
1.20	Cash at beginning of quarter/year to date	241	241
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	402	402

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	68
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

The amount at 1.23 represents current non-executive Director's fees and executive Director's salary (including SGC superannuation) and legal fees paid to a legal firm in which a former Director is a partner.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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+ See chapter 19 for defined terms.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

\$10,500 contributed by Apollo Minerals Limited for exploration under joint venture agreement, for all minerals on EL5589.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	
4.3 Production	
4.4 Administration	90
Total	290

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	363	203
5.2 Deposits at call	39	39
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	402	242

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

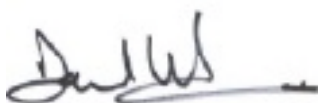
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	353,323,556	353,323,556		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	47,473,750	47,473,750	0.95	0.95
7.5 *Convertible debt securities (description)				

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	10,510,630 1,270,000 225,000 100,000	10,510,630 - - -	Exercise price \$0.02 \$0.018 \$0.073 \$0.036	Expiry date 09/12/15 16/12/19 29/07/16 24/07/17
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: Date: 30 October 2015
(Director/Company secretary)

Print name: DAVID WILLIAMS

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.

TENEMENT STATUS

(AS AT 30 SEPTEMBER 2015)

South Australia

Project name	Tenement	No	Area (km ²)	Details	Nature of Company's interest %	Status
Junction Dam	Junction Dam	EL 4509	341	JV with Teck Australia, Variscan Mines & Eaglehawk Geological Consulting	100% of the uranium mineral rights	Granted
	Junction Dam	ELA 2015/00052	341	JV with Teck Australia, Variscan Mines & Eaglehawk Geological Consulting	100% of the uranium mineral rights	Subsequent licence application
Melton	Melton	EL 5122	28	JV with Monax Mining	75% of all minerals	Granted
	North Melton	EL 5209	137	JV with Monax Mining	75% of all minerals	Granted
	West Melton	EL 4648	88		100%	Granted
Ambrosia	Ambrosia	EL 4510	854		100%	Granted
	Ambrosia	ELA 2015/00053	603		100%	Subsequent licence application
	Muckanippie	EL 5195	181		100%	Granted
	Mulgathing	ELA 2015/00175	652		100%	Application
Pundinya	Pundinya	EL 4526	435		100%	Granted
	Pundinya	ELA 2015/00062	435		100%	Subsequent licence application
Western Spur	Western Spur	EL 4528	333		100%	Granted
	Western Spur	ELA 2015/00065	333		100%	Subsequent licence application
Aurora Tank	Aurora Tank	EL5589	48	JV with Southern Exploration	75% of all minerals	Granted
Indooroopilly - Lake Anthony	Indooroopilly	EL 4702	570		100%	Granted
	Mt Christie	EL 4995	620		100%	Granted
	Lake Anthony	EL 5060	981		100%	Granted
	Cudyea	EL5377	145		100%	Granted
Mulyungarie	Mulyungarie	EL 5124	17		100%	Granted